



## **Uniform Medical Plan Financial Reports**

These reports together provide a summary of Uniform Medical Plan (UMP) expenditures versus premium contributions from employers and enrollees.

The reports will be updated quarterly, adding another quarter's claims payments as well as revising the incurred claims estimates for prior quarters. The incurred claims figures for prior quarters will change because they include estimated costs for services that were received but not paid during that quarter. These estimates are revised as additional data from paid claims becomes available.

The UMP premiums are established in advance based on projected costs for each calendar year, and remain constant during that year. On the other hand, UMP claims costs tend to be lower at the beginning of the year, while enrollees pay out-of-pocket for services that apply to their calendar year deductibles. As a result, we would expect the reports to show positive balances for the first quarters of the year, which are then depleted as the year progresses.

Finally, to correspond to the risk groups used for premium rating, each of the reports is separated into four separate tables for:

- Active/non-Medicare UMP PPO Enrollees;
- Enrollees with Medicare Primary Coverage;
- UMP Neighborhood enrollees; and
- Total Uniform Medical Plan.

The "Total Uniform Medical Plan" tables include a small number of enrollees enrolled in Conversion Plans, who are not counted in any of the other three categories.

## DERIVATION OF INCURRED CLAIM ESTIMATES

*(Based on Incurred Claim Estimates through December 31, 2006)*

See below for definitions of column headings

<b>Active / Non-Medicare UMP PPO Enrollees</b> Includes: - Active employees and their dependents - Self-pay enrollees on COBRA, LWOP or RIF, and their dependents - Retirees and retiree dependents, if not enrolled in Medicare					
Calendar Year and Quarter	Paid during Quarter (in \$000)	Less: Amount for Services Received in Prior Quarters (in \$000)	Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)	Result: Estimated Incurred Claims (in \$000)	Percent Paid thru 12/31/2006
CY2004/Q1	\$65,738	(\$33,300)	\$43,943	\$76,381	100.0%
CY2004/Q2	86,370	(43,709)	\$40,158	82,819	100.0%
CY2004/Q3	83,740	(39,790)	\$44,919	88,869	100.0%
CY2004/Q4	92,303	(45,976)	\$44,527	90,854	100.0%
CY2004 to date	\$328,151			\$338,923	100.0%

<b>Enrollees with Medicare Primary Coverage</b> Includes retirees and retiree dependents, if enrolled in Medicare					
Calendar Year and Quarter	Paid during Quarter (in \$000)	Less: Amount for Services Received in Prior Quarters (in \$000)	Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)	Result: Estimated Incurred Claims (in \$000)	Percent Paid thru 12/31/2006
CY2004/Q1	\$12,029	(\$5,251)	\$7,311	\$14,089	100.0%
CY2004/Q2	16,435	(6,808)	6,402	16,029	100.0%
CY2004/Q3	15,562	(5,790)	6,870	16,642	100.0%
CY2004/Q4	17,352	(6,928)	6,909	17,333	100.0%
CY2004 to date	\$61,378			\$64,093	100.0%

## DERIVATION OF INCURRED CLAIM ESTIMATES

*(Based on Incurred Claim Estimates through December 31, 2006)*

See below for definitions of column headings

<b>UMP Neighborhood Enrollees</b> Includes: - Active employees and their dependents - Self-pay enrollees on COBRA, LWOP or RIF, and their dependents - Retirees and retiree dependents, if not enrolled in Medicare					
Calendar Year and Quarter	Paid during Quarter (in \$000)	Less: Amount for Services Received in Prior Quarters (in \$000)	Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)	Result: Estimated Incurred Claims (in \$000)	Percent Paid thru 12/31/2006
CY2004/Q1	\$203	\$0	\$413	\$616	100.0%
CY2004/Q2	503	(269)	218	452	100.0%
CY2004/Q3	543	(310)	321	554	100.0%
CY2004/Q4	541	(206)	285	620	100.0%
CY2004 to date	\$1,790			\$2,242	100.0%

<b>TOTAL Uniform Medical Plan</b> Includes: - Active/nonMedicare PPO enrollees - Active/nonMedicare UMP Neighborhood enrollees - Enrollees with Medicare primary coverage - Conversion Plan enrollees (not shown above)					
Calendar Year and Quarter	Paid during Quarter (in \$000)	Less: Amount for Services Received in Prior Quarters (in \$000)	Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)	Result: Estimated Incurred Claims (in \$000)	Percent Paid thru 12/31/2006
CY2004/Q1	\$77,997	(\$38,566)	\$51,681	\$91,112	100.0%
CY2004/Q2	103,340	(50,800)	46,788	99,328	100.0%
CY2004/Q3	99,871	(45,900)	52,135	106,106	100.0%
CY2004/Q4	110,246	(53,146)	51,723	108,823	100.0%
CY2004 to date	\$391,454			\$405,369	100.0%

## DERIVATION OF INCURRED CLAIM ESTIMATES

*(Based on Incurred Claim Estimates through December 31, 2006)*

*See below for definitions of column headings*

### DEFINITIONS OF COLUMN HEADINGS

***Paid during Quarter*** -- Final UMP payments during the quarter for medical and pharmacy claims, regardless of the date services were received.

***Amount for Services Received in Prior Quarters*** -- Final UMP payments during the quarter for medical and pharmacy services received prior to the beginning of that quarter.

***Estimated Amount for Services Received but not Paid during Quarter*** -- Estimated UMP payments for medical and pharmacy services received during the quarter but paid after that quarter ended. Estimates for a particular quarter will be revised as more claims information becomes available.

***Estimated Incurred Claims*** -- Estimated UMP payments for medical and pharmacy claims with service dates in the applicable quarter. Includes estimated claims for services received by enrollees during the quarter but not yet paid. Incurred claims estimates for a particular quarter will be revised as more claims information becomes available.

***Percent Paid thru 12/31/2006*** -- Total dollars paid by UMP through 12/31/2006 for services received during the quarter, as a percent of the estimated incurred claims amount. This reflects the "completeness factors" used to derive the incurred claims estimates in this report.

## UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

(Based on Incurred Claim Estimates through December 31, 2006)

See below for definitions of column headings

Active / Non-Medicare UMP PPO Enrollees											
Includes:											
<ul style="list-style-type: none"> <li>- Active employees and their dependents</li> <li>- Self-pay enrollees on COBRA, LWOP or RIF, and their dependents</li> <li>- Retirees and retiree dependents, if not enrolled in Medicare</li> </ul>											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims (in \$000)</u>	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/ Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/ Deficit Per Adult Unit Per Month
CY2004/Q1	81,171	28,951	93,575	<u>\$76,381</u>	\$3,983	\$80,364	\$96,149	<b>\$15,785</b>	\$286.27	\$342.50	<b>\$56.23</b>
CY2004/Q2	81,768	29,263	94,230	<u>82,819</u>	3,516	86,335	96,822	<b>10,487</b>	305.40	342.50	<b>37.10</b>
CY2004/Q3	81,380	29,356	93,915	<u>88,869</u>	4,071	92,940	96,497	<b>3,557</b>	329.87	342.50	<b>12.62</b>
CY2004/Q4	82,543	29,306	95,091	<u>90,854</u>	4,767	95,621	97,706	<b>2,085</b>	335.19	342.50	<b>7.31</b>
CY2004 to date	81,715	29,219	94,203	<u>\$338,923</u>	\$16,337	\$355,260	\$387,174	<b>\$31,914</b>	\$314.27	\$342.50	<b>\$28.23</b>

Enrollees with Medicare Primary Coverage											
Includes retirees and retiree dependents, if enrolled in Medicare											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims (in \$000)</u>	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/ Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/ Deficit Per Adult Unit Per Month
CY2004/Q1	21,608	14	21,622	<u>\$14,089</u>	\$615	\$14,704	\$14,558	<b>(\$146)</b>	\$226.68	\$224.43	<b>(\$2.25)</b>
CY2004/Q2	21,926	15	21,949	<u>16,029</u>	378	16,407	14,778	<b>(1,629)</b>	249.17	224.43	<b>(24.74)</b>
CY2004/Q3	22,400	30	22,430	<u>16,642</u>	794	17,436	15,102	<b>(2,334)</b>	259.12	224.43	<b>(34.69)</b>
CY2004/Q4	22,945	31	22,976	<u>17,333</u>	969	18,302	15,470	<b>(2,832)</b>	265.52	224.44	<b>(41.09)</b>
CY2004 to date	22,220	23	22,244	<u>\$64,093</u>	\$2,756	\$66,849	\$59,908	<b>(\$6,941)</b>	\$250.44	\$224.43	<b>(\$26.00)</b>

## UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

(Based on Incurred Claim Estimates through December 31, 2006)

See below for definitions of column headings

UMP Neighborhood Enrollees											
Includes:											
<ul style="list-style-type: none"> <li>- Active employees and their dependents</li> <li>- Self-pay enrollees on COBRA, LWOP or RIF, and their dependents</li> <li>- Retirees and retiree dependents, if not enrolled in Medicare</li> </ul>											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims (in \$000)</u>	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/ Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/ Deficit Per Adult Unit Per Month
CY2004/Q1	1,088	563	1,326	<u>\$616</u>	\$148	\$764	\$861	<b>\$97</b>	\$192.00	\$216.37	<b>\$24.38</b>
CY2004/Q2	1,071	553	1,305	<u>452</u>	143	595	847	<b>252</b>	151.99	216.36	<b>64.37</b>
CY2004/Q3	1,047	545	1,275	<u>554</u>	140	694	828	<b>134</b>	181.38	216.40	<b>35.02</b>
CY2004/Q4	1,017	530	1,239	<u>620</u>	244	864	804	<b>(60)</b>	232.49	216.35	<b>(16.15)</b>
CY2004 to date	1,056	548	1,286	<u>\$2,242</u>	\$675	\$2,917	\$3,340	<b>\$423</b>	\$188.97	\$216.37	<b>\$27.40</b>

TOTAL Uniform Medical Plan											
Includes:											
<ul style="list-style-type: none"> <li>- Active/nonMedicare PPO enrollees</li> <li>- Active/nonMedicare UMP Neighborhood enrollees</li> <li>- Enrollees with Medicare primary coverage</li> <li>- Conversion Plan enrollees (not shown above)</li> </ul>											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims (in \$000)</u>	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/ Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/ Deficit Per Adult Unit Per Month
CY2004/Q1	103,892	29,527	116,550	<u>\$91,112</u>	\$4,747	\$95,859	\$111,625	<b>\$15,766</b>	\$274.16	\$319.25	<b>\$45.09</b>
CY2004/Q2	104,791	29,831	117,510	<u>99,328</u>	4,039	103,367	112,504	<b>9,137</b>	293.21	319.13	<b>25.92</b>
CY2004/Q3	104,852	29,931	117,647	<u>106,106</u>	5,006	111,112	112,485	<b>1,373</b>	314.82	318.71	<b>3.89</b>
CY2004/Q4	106,532	29,867	119,335	<u>108,823</u>	5,981	114,804	114,043	<b>(761)</b>	320.68	318.55	<b>(2.13)</b>
CY2004 to date	105,017	29,789	117,760	<u>\$405,369</u>	\$19,773	\$425,142	\$450,657	<b>\$25,515</b>	\$300.85	\$318.91	<b>\$18.06</b>

Note: Children reflected in the Non-Medicare category may contain children covered under the Conversion plan.

## UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

*(Based on Incurred Claim Estimates through December 31, 2006)*

*See below for definitions of column headings*

### DEFINITIONS OF COLUMN HEADINGS

**Average Enrollment: Adults** -- average monthly enrollment of subscribers and spouses for the applicable quarter.

**Average Enrollment: Children** -- average monthly enrollment of children for the applicable quarter.

**Average Enrollment: Adult Units** -- "Adult units" are used in developing UMP rates, and reflect one or more children per enrollee as 0.75 units.  
Per adult unit per month converts totals to per single adult.

**Estimated Incurred Claims** -- Estimated UMP payments for medical and pharmacy claims with service dates in the applicable quarter.  
Includes estimated claims for services received by enrollees during the quarter but not yet paid.  
Incurred claims estimates for a particular quarter will be revised as more claims information becomes available.

**Administrative and Other Expenses** -- includes both administrative functions that are handled in-house (such as Health Care Authority staff assigned to the UMP program and related non-salary expenses), and outsourced services performed by contractors (such as claims processing).  
Also includes prescription drug rebates and adjustments to premium stabilization reserves.

**Total Estimated Expenses** -- the sum of estimated incurred claims and administrative and other expenses.

**Employer and Enrollee Contributions** -- based on finalized UMP risk-adjusted rates, multiplied by actual plan enrollment. Includes both estimated state (or employer) premium share, as well as enrollee premium contributions.

**Excess / Deficit** -- employer and enrollee contributions less total estimated expenses.